

Frequently Asked Tax Questions

Q. Is there a specific order in which I should apply for the different tax forms?

A. One of the first forms that should be completed (if it is applicable to your business) is the FEIN - Federal Employer Identification Number application (Form SS-4). The FEIN will be required on the Wisconsin Business Tax Registration Application when applying for a seller's permit, Wisconsin Employer Identification Number, or a use tax certificate. A FEIN number is also requested for any corporation application filings.

Q. I need to obtain a seller's permit and a Wisconsin Employer Identification Number. Will it cost me \$20.00 for each permit?

A. Regardless of the number of tax types you are applying for you are only required to provide one \$20.00 payment through the Business Tax Registration form.

Q. What are my requirements as a Wisconsin business when I have employees who both work in Wisconsin and outside of Wisconsin?

A. All wages paid to Wisconsin residents are subject to withholding, whether paid for services performed entirely in Wisconsin, partly in and partly outside of Wisconsin, or entirely outside of Wisconsin. Employers primarily engaged in business outside of Wisconsin are licensed to do business in Wisconsin or transact business in Wisconsin and have the same requirements to withhold as Wisconsin employers.

Q. What are my requirements for withholding for nonresidents?

A. All wages paid to nonresidents for services performed in Wisconsin are subject to withholding unless employees are residents of a state with which Wisconsin has a reciprocity agreement (IL, IN, KY, MI and MN). If the nonresident employee earns wages both in and outside of Wisconsin, only that part of the wages earned in Wisconsin in each payroll period is subject to Wisconsin withholding.

Q. Are out-of-state employers who voluntarily withhold Wisconsin income taxes for the convenience of their Wisconsin resident employees required to pay the Business Tax Registration fee?

A. The Business Tax Registration (BTR) fees are not applicable to out-of-state employers who have no other tax connection to the State of Wisconsin. Those employers can notify DOR by checking the appropriate line on the renewal notice and returning it to the Department. Note: If an out-of-state employer has a tax connection to the Wisconsin, such as being registered for Wisconsin sales and use tax purposes, the BTR fee will apply.

Q. I changed my business structure from a sole proprietorship to an LLC. What do I need to do?

A. An employer who changes the type of business entity must obtain a new WEIN. An employer who acquires the business of another employer cannot use the WEIN issued to the former employer.

Q. Do I need to pay any taxes on imported items?

A. Wisconsin use tax must be paid on all taxable items brought into Wisconsin from foreign countries or other states and used in a taxable manner. The DOR audits US Customs records and businesses and exchanges information with other states to ensure that use tax owed by businesses is remitted to the department.

Q. I am small business owner, I understand that I may be liable for “self-employment tax.” What exactly is “self-employment tax”?

A. Everyone must pay Social Security Tax. If you are self-employed, your Social Security contribution is made through the self-employment tax. You will need to calculate how best to report earnings and pay your business taxes. Visit www.irs.gov for more information.